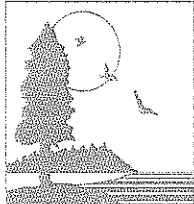


**CALIFORNIA STATE
LANDS COMMISSION**

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Our 75th Year**1938 - 2013**

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August 13, 2013

Jonathan Shapiro
Chairman, Little Hoover Commission
925 L Street, Suite 805
Sacramento, CA 95814

Dear Chairman Shapiro,

Thank you for your letter dated July 3, 2013 advising the California State Lands Commission (Commission) of the Little Hoover Commission's study examining climate change adaption in California. In your letter you noted that any information that Commission staff could provide on this topic would be appreciated, and we are more than happy to do so.

As background, the Commission is responsible for managing and protecting over 4 million acres of sovereign land (also known as Public Trust land), including the beds of California's navigable rivers, lakes and streams, and the State's tide and submerged lands. The Commission's jurisdiction extends along the State's over 1,100 miles of coastline and offshore from the mean high tide line to three nautical miles offshore. The Commission is also responsible for overseeing tidelands and submerged lands granted by the Legislature in trust to local governmental entities to manage for the State. All the land interests under the Commission's jurisdiction, whether granted or ungranted, are publicly owned and subject to the protections of the common law Public Trust Doctrine, the California Constitution, and to the oversight authority of the State, acting by and through the Commission.

Further, the Commission has exclusive jurisdiction over all oil and gas development on State-owned property, including that managed by other agencies, and manages more than 100 sites on which oil companies have developed some 1,000 wells that produce oil and gas from State lands under the Commission's jurisdiction. The Commission is also responsible for providing the best achievable protection of the marine environment at all the State's 80 marine oil terminals, both offshore and onshore, by emphasizing the prevention of oil spills.

The Commission is an active participant on the State's Coastal and Oceans Climate Action Team (CO-CAT), which is working together with a multitude of state and local agencies to educate and advise policymakers on mechanisms to prepare and plan for climate change and sea level rise.

The Commission recognizes the importance of preparing for climate change and sea level rise, and has long been proactive in seeking to protect the lands and

waterways under its jurisdiction from their impact. For example, in 2009, the Commission sent 104 surveys regarding sea level rise to its grantees and lessees of major facilities located along the coast of California and the San Francisco Bay. The survey included questions related to identifying existing facilities and the life expectancy of those facilities; whether the state's grantee or lessee has considered the effect of sea level rise on its facilities; how its facilities would be impacted by sea level rise; what actions the grantees/lessees were considering to address sea level rise; and whether the respondents were considering adaptation strategies to mitigate for sea level rise. Of the 104 surveys sent, only 40 responses were received. A majority of these responses indicated that grantees/lessees had not begun to plan for sea level rise.

As a result of the survey findings, the Commission sponsored legislation, together with the State Controller's Office, requiring grantees to assess the impacts of sea level rise on its granted lands. The current legislation is AB 691 (Muratuschi), and is pending in the Senate. The purpose of AB 691 is to ensure that a local trustee takes reasonable steps to protect granted public trust lands from sea level rise. The local trustee is in the best position to conduct this planning because it has the administrative control over its granted trust land and, in most cases, generates revenues off of the land, which must be used for purposes such as managing and preserving the trust assets.

Additionally, in 2009, the Commission approved "A Report on Sea Level Rise Preparedness," outlining the legal implications of sea level rise on the State's tideland boundaries and offering recommendations to improve preparedness for sea level rise and climate change. In particular, the report recommended that the Commission focus on assuring that development of granted public trust lands managed by local jurisdictions addresses sea level rise. The report also included the results of surveys sent to grantees and lessees of the Commission mentioned above. A copy of the report can be found at http://www.slc.ca.gov/reports/sea_level_report.pdf and an update can be found at http://archives.slc.ca.gov/Meeting_Summaries/2010_Documents/12-10-10/Items_and_Exhibits/49.pdf.

Pursuant to the recommendations adopted in the 2009 Report, the Commission has also been proactive in addressing climate change and sea level rise by revising its lease application form for use of sovereign land to require applicants of development projects to assess the environmental impacts of any proposed use of sovereign land and explain if any feature of the project is subject to sea level rise or other effects associated with climate change over the life of the project; and if so, the applicant must include an explanation of proposed adaptation strategies. If a proposed project on sovereign land involves development in an area subject to tidal action, the applicant must provide a risk analysis, implications of failure, and adaptation strategies for addressing projected sea level rise of 16 inches by year 2050 and 55 inches by year 2100, relative to the projected life expectancy of the project. Adaptation strategies may include alternate project designs to prevent impacts. Applicants must also explain what

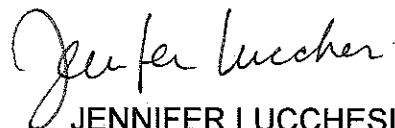
engineering standards are being relied on to address potential impacts from sea level rise on proposed or existing facilities throughout the life of the project.

Additionally, the Commission's Marine Oil Terminal Engineering and Maintenance Standards (MOTEMS) address sea level rise planning at all existing and new marine oil terminals in California. In particular, the standards state "that all marine oil terminals shall consider the predicted sea level rise over the remaining life of the terminal, due to subsidence or climate change combined with maximum high tide and storm surge. Consideration shall include but not be limited to variation in fender locations, additional berthing loads (deeper draft vessels) and any components near the splash zone."

Sea level has been rising for thousands of years, including more than eight inches since 1870. However, the rate of rise has accelerated and climate change and sea level rise will have a particularly acute impact on sovereign lands under the jurisdiction of the Commission, with one of the most significant impacts being to property boundaries from the resultant changes in the elevation of the mean high tide line. This has the potential of reducing or eliminating public access along the coastline. The Commission, in its adoption of the Report on Sea Level Rise Preparedness, directed staff to give careful consideration to future Boundary Line Agreements and Title Settlements to include a standard provision in such agreements that the Public Trust Easement will move with submergence or when subject to the ebb and flow of the tide. This has the effect of ensuring that the public retains its rights in those lands covered by the ebb and flow of the tide.

The Commission looks forward to continuing to work closely with other federal, state and local agencies to stay at the forefront of efforts to mitigate the impacts of climate change and sea level rise on the lands and natural resources under its jurisdiction. Thank you for your efforts to address sea level rise in California and for soliciting the Commission staff's input on this issue.

Sincerely,



JENNIFER LUCCHESI
Executive Officer

cc: Honorable Gavin Newsom, Lt. Governor, Chair, CSLC
Honorable John Chiang, State Controller, Commissioner, CSLC
Ana Matosantos, Director of Finance, Commissioner, CSLC
John Laird, Secretary, California Natural Resources Agency
Catherine Kuhlman, Deputy Secretary for Oceans and Coastal Matters,
California Natural Resources Agency